

**OFFICE OF THE CHIEF FINANCIAL OFFICER (Final 12/01/01)
REVISED FY 2001 AND 2002 ANNUAL PERFORMANCE PLANS**

The Secretary established the Office of the Chief Financial Officer (OCFO) in 1995 under authority provided in Reorganization Plan No. 2 of 1953 (7 U. S. C. 2201) to comply with the CFO Act of 1990. With approximately 1,800 employees, OCFO focuses on the Department's financial and performance management activities to improve program delivery and assure maximum contribution to the Secretary's Strategic Goals. In addition to its Department-wide responsibilities, OCFO is responsible for the oversight, policy, and operation of the Department's National Finance Center (NFC) in New Orleans, Louisiana. The Chief Financial Officers Act of 1990 mandates comprehensive reform of Federal financial operations, requiring long-range planning, audited financial statements, and accountability and measurement reporting. In order to accomplish this mandate, the OCFO has formulated the following mission statement.

Mission Statement: OCFO will shape an environment in which USDA officials have and use high quality financial and performance information to make and implement effective policy, management, stewardship and program decisions.

The OCFO Strategic Plan contains information about how the CFO organizational role has expanded in response to Congressional and Federal mandates. Congressional mandates include the Chief Financial Officers Act of 1990, the Federal Managers' Financial Integrity Act (FMFIA), and the Federal Financial Management Improvement Act (FFMIA). Seven other major pieces of legislation that affect OCFO include the Government Performance and Results Act (GPRA), the Federal Grants and Cooperative Agreements Act, the Government Management Reform Act, the Clinger-Cohen Act, the Federal Credit Reform Act, the Single Audit Act, the Cash Management Improvement Act, the Prompt Payment Act, the Debt Collection Improvement Act (DCIA), and the Inspector General Act. The OCFO Strategic Goals and objectives support Goal 5.2 in the FY 2000-2005 USDA Strategic Plan. The key performance goals provided in this Annual Performance Plan establish the plan of action that will produce the relevant, useful information that program decision makers need to make critical policy decisions. Only Federal employees contributed to the preparation of the OCFO strategic plan. Performance-related studies and analyses were not conducted.

Strategic Goal #1: Promote sound financial management through leadership, policy and oversight.

Program Activities: Chief Financial Officer

This budget table represents Policy, Planning and Oversight for the Office of the Chief Financial Officer	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate
Funding (In thousands of dollars)				
Appropriated	\$4,298	\$4,868	\$5,148	\$5,384
Reimbursable	1,752	1,737	2,032	1,892
Working Capital Fund	0	0	0	0
Total Funding	6,050	6,605	7,180	7,276
FTEs				
Appropriated	48	51	44	51
Reimbursable	16	20	20	24
Working Capital Fund	0	0	0	0
Total FTEs	64	71	64	75

Objective 1.1: Provide timely and reliable financial management information and counsel to USDA officials for corporate and program decisions.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Achieve an unqualified opinion on the USDA Consolidated Financial Statements for FY 2002.	Disclaimer	Disclaimer	Qualified	Unqualified

Baseline: The United States Department of Agriculture (USDA) received a disclaimer of opinion in FY 1999.

Discussion of Annual Performance Goals: The OCFO works with agencies to ensure that the Department's financial policies reflect sound business practices. Achieving a clean audit opinion on the Department's Consolidated Financial Statements and agency specific financial statements will assure the users of USDA's financial information and our constituents that USDA's financial systems are sound and generate consistent, reliable, and useful information.

USDA has been working on automating the statement preparation process to improve the efficiency and consistency of data processing within the USDA Consolidated Financial Statements. USDA produces six stand-alone audited, financial statements in addition to a consolidated statement. Three of these financial statements - the Food and Nutrition Service (the USDA agency with the largest budget), the Rural Telephone Bank, and the Federal Crop Insurance Corporation - have received unqualified or clean audit opinions for several years. The remaining three agencies with stand-alone statements, Rural Development, the Forest Service (FS), and Commodity Credit Corporation (CCC) have made significant progress in improving their audit results. The Office of the Chief Financial Officer (OCFO) is working closely with RD, the Farm Service Agency (FSA) and CCC on a credit reform working group, comprised of representatives from these agencies, the Office of Inspector General, and OMB, with GAO as an advisor, to address the credit reform issues keeping these agencies from a clean opinion. We are also working closely with the FS on its plans for financial management improvements. It is anticipated that the FS will produce timely, accurate and auditable accounting information relating to its property, plant and equipment balances for FY 2001. Additionally, USDA has made significant progress in reconciling USDA's fund balances with the Department of the Treasury. The OCFO led the effort to identify and correct the systemic problems that cause out-of-balances with Treasury. OCFO has institutionalized a new Department-wide methodology for dealing with cash reconciliation. OCFO continues to work closely with Treasury as they and the OCFO re-engineer the cash reconciliation and reporting process. We are hopeful that these efforts will result in an improved USDA consolidated financial statement audit opinion for FY 2001.

Means and Strategies:

- Provide timely financial information and assure that it is readily accessible to USDA managers at all levels.
- Implement a financial management reporting strategy for USDA that addresses various user needs and Departmental requirements.
- Employ tools to improve estimates of program cost.
- Adhere to Departmental financial procedures to ensure prompt resolution of financial management issues.

OCFO actively participates with intergovernmental councils and oversight agencies, such as the Office of Management and Budget (OMB), the General Accounting Office (GAO), the General Services Administration, the Department of Treasury, and others to formulate Government-wide financial management policy. OCFO contributes to public and private financial standard-setting organizations, such as the Federal Accounting Standards Advisory Board (FASAB) and the Private Sector Council. Participation with these entities aids the development of sound financial policies, and ensures that consistent guidance is provided to customers and stakeholders.

Appropriated funds provide the majority of resources necessary for establishing and monitoring policy and providing consultation and advice for USDA officials. We will continue to work with other USDA entities to make the most appropriate use of the resources available for timely and reliable financial management information, advice, and counsel.

Verification and Validation: The Inspector General will render a written audit opinion on USDA's Consolidated Financial Statements. As part of this process, the OIG will render opinions on required component agency statements. The opinion for FY 2001 will be issued at the conclusion of the financial statement audit during FY 2002. Similarly, the 2002 opinion will be issued during FY 2003.

Objective 1.2: Ensure prompt resolution of Department-wide audit recommendations and material deficiencies.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Promote timely correction of audit findings and material deficiencies. Percent of audits where corrective action is proceeding as scheduled.	62	59	63	67
Percent of FMFIA/FFMIA material deficiencies where corrective action is proceeding as scheduled.	60	55	63	67

Baseline: The baseline for audits was established from data reported in the Secretary's Management Report for FY 1998 (9/30/98), where corrective actions were on schedule for 61 percent of OIG audits. The baseline of 46 percent for FMFIA/FFMIA material deficiencies is from the FY 1998 Federal Managers' Financial Integrity Act Report (FMFIA) which incorporates the Federal Financial Management Improvement Act (FFMIA) Remediation Plan.

Discussion of Annual Performance Goals: Effective management controls are an essential element of Departmental efforts to protect assets and conserve scarce resources. The adequacy of management controls is determined primarily by internal control and financial system reviews performed by management and audits issued by OIG and GAO. In each instance, corrective action plans are developed and implemented. Timely completion of both audit and FMFIA/FFMIA corrective action plans will be measured by the number of instances in which the completion dates are met. In addition to audit reports issued by the OIG, certain audits performed by independent practitioners as Single Audits, conducted for recipients of Federal domestic financial assistance, are included in the audit tracking system.

Means and Strategies: The FY 2001 performance targets relating to both audit and FMFIA/FFMIA material deficiencies have been revised to reflect more realistic targets based on analysis of historic performance. Toward the end of FY 2000, OCFO implemented a requirement for quarterly progress reports on the status of corrective actions. As agencies set more realistic targeted completion dates and comply with this new reporting requirement, OCFO anticipates that, because of the increased attention, there will be an improvement in the percentage of corrective actions for audits and material deficiencies proceeding as scheduled. Accomplishment of the targets set forth in this Plan requires greater commitment from agency management.

Verification and Validation: Information generated from OCFO's audit tracking system enables management to determine whether performance targets are met for the timely correction of audit deficiencies. Semiannual reports to Congress on the status of audit resolution include sufficient information to identify those audits where corrective action is or is not completed in a timely manner. OCFO performs extensive analysis and reconciliation procedures to ensure the accuracy of reported audit information. New management decision data from the OIG tracking system are reviewed and compared to physical documents to identify and resolve discrepancies or entry errors. Analyses supporting all closure actions are reviewed by supervisory personnel prior to the entry of closure data into the OCFO audit tracking system. Reconciliations are performed for each reporting period to verify beginning, ending, and changes in inventory values.

The level of material control deficiencies proceeding as scheduled is assessed each year using management information from a variety of sources, including input from program managers. The results are reported in the Federal Managers' Financial Integrity Act Report to the President and Congress annually. This annual report on internal controls and financial management system nonconformances is reviewed by the OIG during field work associated with the annual consolidated financial statements audit.

Objective 1.3: Increase the collection of USDA outstanding delinquent debts and increase use of Electronic Funds Transfer (EFT) for payments.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Improve the ratio of collection by DCIA tools to eligible delinquencies.	11.5%	10.3%	15.0%	17.0%
Increase percentage of payments made by EFT.	72.0%	75.0%	77.0%	78.0%

Baseline: In FY 1997, USDA's total receivables were \$104.5 billion, of which \$2.1 billion (1.97 percent) are delinquent and eligible for collection. Based on these figures, OCFO projects that the Department will increase the amount of collection of delinquent debt to \$226 million in FY 2002. In FY 1997, USDA paid 34.3 percent of the number of payments by EFT. OCFO projects that the Department will increase EFT payments to 77 percent in FY 2002.

Discussion of Annual Performance Goals: The performance measure for the DCIA collection tools has been updated in this year's revised plan to more accurately reflect the improvements in the amount of delinquent debt being collected by USDA. OCFO is responsible for providing policy guidance, advice, consultation, and oversight on a variety of fiscal and related legislation including the Debt Collection and Improvement Act (DCIA), the Cash Management Improvement Act (CMIA), Prompt Payment Act, and the Credit Reform Act. The DCIA has a number of provisions with implementation guidance established by Treasury. Implementing DCIA requires changes in agency systems and processes, such as implementation of systems that communicate addenda information to payees, and referring delinquent debt to Treasury.

Means and Strategies: USDA has a variety of tools at its disposal to improve collection of delinquent debt. These include referring debts for Treasury offset, cross servicing, Internal Revenue Service 1099 reporting, and internal/ external salary offset programs. USDA plans to achieve the EFT goals by notifying vendors of the EFT requirement; providing sign-up procedures; offering vendors invoice information via the Internet; and partnering with the Department of the Treasury and USDA agencies to explore new EFT payment tools.

Verification and Validation: The effectiveness of DCIA implementation will be reviewed by OCFO and verified through reports from OIG and the Treasury. OIG audits ending receivables data as part of its audit of the consolidated financial statements.

Objective 1.4: Ensure USDA and its agencies have systems, policies, and procedures in place to provide accountability for the assets and resources entrusted to USDA.

Annual Performance Goals and Indicators	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Reduction in cost and/or increased productivity of commercial activities				
Provide timely annual update of FAIR Act inventory	Yes	Yes	Yes	Yes
Develop plan for incremental competitions/conversion of FAIR Act inventory	NA	NA	N/A	Yes

Baseline: The Federal Activities Inventory Reform (FAIR) Act of 1998 requires an annual inventory of FTE's performing commercial activities. The USDA inventory for FY 2000 is 46,516 FTE's. Details can be found at www.usda.gov/ocfo.

Discussion of Annual Performance Goals: This is a new objective which was added to the OCFO performance plan in FY 2001. The Federal Activities Inventory Reform (FAIR) Act of 1998 requires Federal agencies to provide an annual inventory of all commercial activities and federal guidelines require that such activities be considered for contracting out to the private sector. A plan is being developed which includes specific agency plans for commercial activity cost comparison determinations and subsequent competition of those activities. Cost studies and subsequent competition will be initiated in FY 2002. The OCFO will coordinate the process from a Department perspective and provide technical assistance to agencies.

Means and Strategies:

- Submit complete and accurate FAIR Act inventory by due date.
- Train appropriate personnel in cost comparison studies.
- Identify needed contract, budget or other resources.
- Solicit input from commercial and employee representatives, OMB and other Federal agencies to identify best practices for cost comparison studies.

Verification and Validation: Management will monitor accomplishment of specific milestones.

Strategic Goal #2: Implement and maintain an infrastructure to provide management with on-line real time financial management information necessary for sound decision making.

Program Activities: Chief Financial Officer

This budget table represents the FFIS Implementation Budget

		FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate
Funding (In thousands of dollars)					
Appropriated		\$0	\$0	\$0	\$0
Reimbursable		0	0	0	0
Working Capital Fund	operating	15,667	19,502	27,269	27,759
	capital	0	5,335		3,300
Total Funding	operating	15,667	19,502	27,269	27,759
	capital	0	5,335		3,300
FTE					
Appropriated		0	0	0	0
Reimbursable		0	0	0	0
Working Capital Fund		44	40	43	70
Total FTEs		44	40	43	70

Objective 2.1: Implement an integrated financial management information system for USDA.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY 2000 Actual	FY 2001 Target	FY 2002 Target
Implement the Foundation Financial Information System USDA-wide.				
Percentage of total USDA workforce served	31%	46%	78%	98%

Discussion of Annual Performance Goals: USDA will complete implementation of the Foundation Financial Information System (FFIS), which is a Joint Financial Management Improvement Program and U.S. Standard General Ledger compliant financial management information system. This financial

management system will provide the integration and capabilities to improve the delivery of timely and meaningful financial management information and will allow USDA to comply with external legislation including the CFO Act of 1990. Furthermore, the implementation of this information system will provide auditable financial data that can be used to prepare the USDA Consolidated Financial Statements.

Means and Strategies: Implementation strategies currently employed by the FFIS Project Office have proven effective and will be used for future FFIS implementations. The Secretary's FFIS Executive Steering Committee continues to oversee the project.

- Configure the FFIS and Financial Data Warehouses to meet USDA agency financial processing requirements.
- Develop and implement data conversion methodologies to ensure that data converted from legacy systems is supportable and reconciled.
- Provide on-going financial management reviews to ensure compliance with government mandates and financial management best practices.
- Re-engineer legacy financial processing systems to integrate and improve financial data.
- Provide and assure corporate administrative financial management infrastructure and security solutions to ensure and protect integrity and confidentiality of USDA financial management data.

Verification and Validation: FFIS implementations will be verified by review of FFIS implementation against the project plan to ensure that goals have been achieved. OCFO management and the FFIS Steering Committee will ensure that necessary reviews occur. The OIG also will review FFIS implementations.

Strategic Goal # 3: Provide superior cross-servicing for financial and administrative services to USDA and other Federal Government agencies.

Program Activities: Chief Financial Officer

This budget table represents the National Finance Center Budget

	FY 1999 Actual	FY 2000 Actual	FY 2001 Actual	FY 2002 Estimate
Funding (In thousands of dollars)				
Appropriated	\$0	\$0	\$0	\$0
Reimbursable	0	0	0	0
Working Capital Fund operating capital	144,519 10,409	154,405 8,897	156,886 4,157	167,171 4,296
Total Funding operating capital	144,519 10,409	154,405 8,897	156,886 4,157	167,171 4,296
FTE				
Appropriated	0	0	0	0
Reimbursable	0	0	0	0
Working Capital Fund	1,595	1,574	1,538	1,571
Total FTEs	1,595	1,574	1,538	1,571

Objective 3.1: Improve efficiency and customer satisfaction with NFC operations.

PERFORMANCE GOALS AND INDICATORS	FY 1999 Actual	FY2000 Actual	FY2001 Target	FY2002 Target
Increase level of customer satisfaction. Percentage of customers surveyed reporting satisfaction with NFC Service Levels	Approach Developed	88% (Baseline)	90%	92%
Achieve CMM Level 2 compliant operations for the following discrete Projects: Health Benefits Centralized Enrollment Clearinghouse (CLER); Implementation of S and I Funds; and Implementation of Military Personnel into the Thrift Savings Plan. Earned Value: Cost Performance Index (for Project)	N/A	N/A	.80	.80
Earned Value: Schedule Performance Index (for Project)	N/A	N/A	.80	.80

Baseline: The baseline to establish the level of customer satisfaction was established during FY 2000 at 88%.

Discussion of Annual Performance Goals: The NFC began the process of measuring levels of customer satisfaction through surveys conducted in FY 2000. As a result of response from customers, NFC established a baseline of 88%; i.e., 88% of those responding have stated that they are satisfied with the service received from NFC.

As a part of the survey process, customers were asked what improvements could be made to the service they received. Key improvements requested by customers centered on two areas: Help Desk and Training Data Availability. In response to customer Help Desk issues, a Help Desk management software package, Remedy, has been implemented. Remedy allows tracking of customers calls which facilitate a quicker response time and it also captures response data which is used to build a knowledge database, providing information to help analysts better serve customers.

In regard to Training Data Availability, NFC has initiated improvements to the training database designed to eliminate downtime associated with training and production databases. One initiative is the Purchase

Card Management System (PCMS) S80 migration which will allow training and Quality Analysis (QA) data to run in an environment separate from production data.

The Capability Maturity Model (CMM), developed by the Systems Engineering Institute (SEI), is an IT Industry wide Model which serves as a standard for software project engineering and management practices. CMM presents a model against which software development organizations such as NFC can compare their practices. Such comparison helps the NFC to assure that industry "best practices" are an integral part of the increasing maturity of NFC's software engineering capabilities.

During FY 1998, the Thrift Savings Plan (TSP) Division of the NFC achieved CCM Level 2 capability. Building upon the success in TSP, the NFC plans to achieve Level 2 of the Capability Maturity Model (CMM Level 2) as a model for all discrete NFC projects not later than FY 2003. Specifically, CMM methodology will be initiated in three projects ongoing in FY 2001: The Health Benefits Centralized Enrollment Clearinghouse (CLER); Implementation of Small Capitalization Stock Investment (S) and International Stock Index (I) Funds; and Implementation of Military Personnel into the Thrift Savings Plan. The CLER Project is a project that NFC is undertaking for the Office of Personnel Management and involves establishing an automated system for reconciling Agency Health Benefits withholdings with payments to the various employee service providers or carriers. The other two projects are implementations related to the government wide Thrift Savings Plan for which the NFC has responsibility. The S and I Funds are available to employees for investment effective May 1, 2001, and a project plan for Military participation in the Thrift Savings plan is being developed this year for implementation in January, 2002.

Means and Strategies: NFC Customer Support Staff will continue to gather satisfaction information from customers, including customer recommendations for service improvement. Improvement recommendations will be thoroughly considered and implemented where and when feasible.

CMM Project objectives will be to define and install improved project management processes consistent with the requirements of CMM Level 2 for each project in the following areas: Requirements Management, Software Project Planning, Software Project Tracking and Oversight, Software Configuration Management, and Software Quality Assurance. As additional NFC Project Proposals are developed, CMM consideration will be an integral part of the planning process.

Verification and Validation: OCFO will verify the improvements in customer satisfaction through the use of follow-up surveys to customers.

Achievement of CMM Level 2 methodology will be determined by an independent assessment of projects by employees or contractors qualified to make such evaluations. CMM Level 2 accomplishment will be measured against the improvement action plan using performance tools such as the tracking of earned value, and in particular the cost performance index (CPI) and schedule performance index (SPI).

PERFORMANCE GOALS AND INDICATORS	FY1999 Actual	FY2000 Actual	FY2001 Target	FY2002 arget
Expand the NFC customer base to increase volume and reduce unit cost. Annual increase in Net Operating Costs is less than 50 percent of the increase in the sum of pay costs and inflation. (1)	Baseline established	8% decrease	An increase of less than 50% of the sum	An increase of less than 50% of the sum

(1) Net Operating costs is defined as costs exclusive of costs supporting research and development or costs associated with increased volume. Also not included in NFC Net Operating costs are TSP costs which are managed separately. It is assumed that cost goals will be met while maintaining high quality service levels.

Baseline: The baseline for the annual increase in NFC Net Operating Costs was established in FY 1999 at 50% of the increase in pay costs and inflation.

Discussion of Annual Performance Goals: In response to customer concerns about rising costs, the NFC made a commitment to its oversight committee to keep costs under 50 percent of the net increase level each year. This is an aggressive commitment which has been and will continue to be achieved through operational efficiencies and economies.

Means and Strategies: Controlling costs at the NFC involves meeting the same challenges as those faced by any organization. NFC is somewhat unique in that operational and project funding is not appropriated, but is received on a totally reimbursable basis. For this reason, NFC must make a case for each cost to customers in terms of defending the rates charged to customers for work. NFC will continue, as it has in the past, to aggressively manage costs. Some of the ongoing NFC cost control measures include: Reviewing ADP systems for continued efficiency and eliminating those deemed ineffective; developing replacement systems that take advantage of technology advances and innovative management approaches; and constantly reviewing the NFC Organization for continuous improvement in functional alignment and operational efficiency.

Verification and Validation: The Working Capital Fund Comptroller will review cost calculations and cost changes to verify that the annual cost increase, exclusive of research and development and volume associated costs, is less than 50 percent of the increase in the sum of pay costs and inflation.

PERFORMANCE GOALS AND INDICATORS	FY1999 Actual	FY2000 Actual	FY2001 Target	FY2002 Target
NFC FFIS Environment is available to USDA Agencies.				
Percent of time environment is available for on line access or to execute scheduled batch jobs	N/A	N/A	90 %	95 %
Percent of batch jobs completed when initiated during scheduled times	N/A	N/A	90%	95%
TSO availability for online job submission	N/A	N/A	95%	98%
Support publication of FY 2001 USDA Consolidated Financial Statements (CFS).				
The percentage of action items that will be completed by the scheduled target date	N/A	N/A	90%	90%
Remove CAS cash reconciliation issues as a barrier to a clean audit opinion.				
Percentage of NFC controlled systemic causative items that are resolved prior to audit opinion release	N/A	N/A	90%	95%
Percentage of cash transactions that are reconciled within 120 days of receipt of Treasury Report, TFS 6652	N/A	N/A	99%	99%
Conduct timely and effective FFIS cash reconciliation.				
Date by which FFIS cash reconciliation processes are established	N/A	N/A	July 1, 2001	N/A
Percentage of established FFIS cash reconciliation process completed during reconciliation	N/A	N/A	90%	95%

Discussion of Annual Performance Goal: Operation of the USDA's accounting systems is not a new initiative for the NFC, but it is a new addition to the Annual Performance Plan, reflecting the level of commitment to the success of implementing a new system, the Foundation Financial Information System

(FFIS). The indicators listed above represent initiatives which are being undertaken by the NFC as a part of the overall FFIS Project Plan, and for each of the initiatives NFC is in the process of developing a detailed plan which will contain milestones and performance objectives specific to the completion of that particular element. As the planning/implementation process continues for each of the initiatives, performance measures in the form of key dates and milestones will be identified, tracked, and reported within OCFO.

Means and Strategies: The different elements of the FFIS Project have been assigned within the Divisions of the NFC, depending upon the organization with the resources adequate to the particular task. As the project moves through development and into full implementation, the NFC organization will be realigned to meet the emerging needs of the new system. Project progress, including the resolution or mitigation of any identified impediments to success will be the subject of continuous management review and status reporting. As a part of the overall strategy, routine reviews are conducted with OCFO as well as with agencies scheduled for implementation to assure that critical and/or emerging issues are addressed and that resources are adequate to meet agreed upon time frames and performance goals.

Verification and Validation: FFIS implementation is a highly visible project within the USDA, and as implementation progresses, accomplishment of project milestones and deadlines will be the subject of periodic management review, both within OCFO and USDA, as well as with the management of Agencies undergoing transition to the system. In addition to these ongoing management reviews, implementation of the system and its functionality will be subjected to audit by the USDA OIG and other external review entities.

PERFORMANCE GOALS AND INDICATORS	FY1999 Actual	FY2000 Actual	FY2001 Target	FY2002 Target
Improve National Finance Center Operations				
Review and Assess NFC Feeder Systems	N/A	N/A	Project Teams Formed and Inventory Plans Developed	TBD
USDA employees provided with option to eliminate paper Earnings and Leave Statement	N/A	N/A	Implemented Pay Period 6, 8/12/2001	N/A
Implement S & I Funds into Thrift Savings Plan	N/A	N/A	Yes	N/A
Implement Military into the Thrift Savings Plan	N/A	N/A	Funds available 5/1/2001	N/A
Complete OPM Federal Employees Health Benefits Centralized Enrollment Clearinghouse (CLER) Project	N/A	N/A	Plan Developed by 3 rd Quarter, FY 2001	System implementation 1/2002
	N/A	N/A	Plan Developed during 3 rd Quarter, FY 2001	System implementation TBD

Discussion of Annual Performance Goal: This is a new objective which has been added to highlight OCFO management commitment to continuous improvement of the NFC operation. The indicators listed represent improvements or new customer service initiatives which are being undertaken by the NFC as a part of the overall improvement plan. For each of the initiatives, NFC either has or is in the process of developing a detailed plan which contains milestones and performance objectives specific to the completion of that particular element. As the planning/implementation process continues for each of the initiatives, performance measures in the form of key dates and milestones will be identified, tracked, and reported within OCFO. The initiatives are diverse in nature, but they share the common goal of capitalizing on technology and improved systems to provide higher levels of customer service.

Means and Strategies: Each of the performance elements have been assigned to a responsible project manager within the NFC, and each of the project managers has been charged to identify the resources needed to achieve the element, as well as to negotiate with management mutually agreed upon milestones and completion parameters.

Verification and Validation: Accomplishment of project milestones and deadlines will be the subject of periodic management review, both at NFC and within OCFO. In the case of the Thrift Saving Plan initiatives, coordination and management review will occur with the Thrift Investment Board. In addition to these ongoing management reviews, use of resources and achievement of stated objectives will be subjected to audit by the USDA OIG and other external review entities.

Objective 3.2: Develop an Information Security Program for the OCFO.

PERFORMANCE GOALS AND INDICATORS	FY1999 Actual	FY2000 Actual	FY2001 Target	FY2002 Target
Complete all actions necessary to ensure that NFC operations meet Industry Standards for Information Technology (IT) Security and fully support Office of the Chief Information Officer initiative in IT Security.				
Percent of NFC critical information systems evaluated	N/A	N/A	50%	100%
Percent of mitigation plans developed for vulnerabilities discovered through formal threat assessments	N/A	N/A	30%	80%

Discussion of Annual Performance Goal: This is a new goal that has been added to the performance plan beginning in FY 2001. IT Security has been a long time OCFO priority, and OCFO has a tested and proven track record of successful policies and procedures. It is recognized, however, that the IT sector is faced with unprecedented security challenges and advances in intrusion technology. In recognition of these challenges, and in response to customer concerns regarding security issues, NFC has undertaken an aggressive campaign to assess the state of system security at the Center, and is committed to aggressive action to assure that NFC has security systems and procedures in place that not only meet but exceed industry standards.

Means and Strategies: During the past two years, NFC has undertaken numerous tasks to strengthen its information security infrastructure because of the constantly changing landscape. NFC has contracted for an independent validation and verification of the security controls and practices in its network arena, which will occur in mid-FY2001. During FY2002, NFC intends to continue its emphasis on diagnosis and assessment of security vulnerabilities in order to take timely risk reduction actions. In addition, NFC is working cooperatively with the Cyber Security Officer of the Office of the Chief Information Officer's staff to explore potential deployment of a public key infrastructure (PKI) in order to bring further security controls to client transactions, data, and applications. NFC will develop plans and seek funding in order to meet the Cyber Security Officer's requirements to further fortify its physical security controls associated with the information systems architecture. For FY 2003, in addition to continuance of ongoing diagnosis activity and related improvement actions, implementation of many physical security controls will be accomplished along with further deployment of PKI.

Verification and Validation: An additional independent validation and verification of the security controls and practices will be performed under contract to ensure that industry standards are being achieved and maintained.

SUMMARY OF AGENCY RESOURCES FOR FY 2002 (Dollars in thousands)				
	GOAL 1	GOAL 2	GOAL 3	TOTAL
PROGRAM ACTIVITY Chief Financial Officer				
Appropriated Funds	\$5,384 51 FTEs	\$0 0 FTEs	\$0 0 FTEs	\$5,384 51 FTEs
Reimbursements	\$1,892 24 FTEs	\$0 0 FTEs	\$0 0 FTEs	\$1,892 24 FTEs
WCF Direct operating capital	\$0 \$0 0 FTEs	\$27,759 \$3,300 70 FTEs	\$167,171 \$4,296 1,571 FTEs	\$167,171 \$4,296 1,641 FTEs
Total Funds	\$5,573 75 FTEs	\$31,059 70 FTEs	\$171,467 1,571 FTEs	\$178,743 1,716 FTEs